

**Synergies Committee Meeting #1105
Friday, March 11, 2011 1:00 PM
Third Floor Meeting Room, Winchester Hall**

Agenda

- I. Introductions
- II. Approval of Minutes
- III. Briefing from Human Resources
- IV. Briefing from Risk Management
- V. Establish Future Topics for Presentation
- VI. Closing Discussions/Comments
- VII. Next Meeting
- VIII. Adjourn

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Commissioner C. Paul Smith, *Vice President*, called to order a meeting of the Synergies Committee for Friday, March 11, 2011, at 1:00 p.m. Also present were Kirby Delauter, County Commissioner; Barry Stanton and David Dunn, Office of the County Manager; Katie Barkdoll, City of Frederick (City); Doug Browning, Frederick Community College (FCC); Jimmy Reeder and April Miller, Frederick County Board of Education.

The minutes from Thursday, March 3, 2011, were approved by unanimous consent.

Commissioner Smith extended an invitation for the municipalities to attend the Synergies Committee meetings during the March 10, 2011 county/municipalities meeting.

Don Francis, FCC, presented information on what benefits FCC currently participated in and the potential future options.

Paula Lawton, Frederick County Public Schools (FCPS), presented possible overlap potential with benefits and human resources functions.

Mitch Hose, Human Resources Division, noted the county partnered with FCC on health benefits and saved money on administrative costs.

Kathy Nicholato, City, presented benefit information.

The committee requested an update in October.

County Manager Barry Stanton inquired about the possibility of offering combined employee trainings.

Hal Keller, FCPS, presented property and automobile insurance information, noting FCPS was currently in the bidding process.

Walt Smith, FCC, noted the last bid was a three-year contract, and in 2010, there was a \$45,000 premium savings.

Mike Beard, Finance Division, briefed the committee on current policies noting the county had an insurance committee that seeks quality insurance at the best possible rates, also noting the county was unique in that they have the nursing homes and TransIT buses to provide coverage for.

Katie Barkdoll, City, was interested in looking into the use of an electronic data base to file and track claims.

The committee requested an update be presented in October.

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The next meeting is scheduled for Friday, April 1, 2011, at 1:00 p.m., to review facility services and receive the updates from the various information technologies staff.

The meeting adjourned at 2:10 p.m.

A handwritten signature in black ink, reading "Mary E Baker". The signature is written in a cursive style with a large, sweeping initial "M".

Mary Baker
Recording Secretary

FCPS INSURANCE POLICIES OTHER THAN HEALTH

March 11, 2011

The FCPS FY 2011 budget includes funding for the purchase of Real & Business Personal Property, Boiler & Machinery, General Liability, Business Auto, Inland Marine, Errors & Omissions, and other minor insurance policies. The current estimated actual expense is just over \$900,000.00. FCPS issued a competitive solicitation for these policies in FY 2007 and negotiated annual premium adjustments based on loss experience in the subsequent fiscal years. Currently, FCPS is preparing to issue a Request for Proposals for these policies for FY 2012. Frederick County, Frederick Community College and Frederick City declined to participate in this RFP.

The administration of these policies is handled in the office of the Executive Director of Fiscal Services. Typically, over 100 claims are processed annually, ranging from minor personal injuries from slipping on FCPS property, auto accidents or the complete loss of a portable classroom due to fire. Administrative duties include acting as the liaison between insurance adjusters and FCPS staff on loss information/inspections.

Real & Business Personal Property insurance is purchased on an aggregate of exposure basis without limits on individual property values. Part of the services provided under this policy is an annual risk assessment physical inspection of all FCPS properties. Commercial General Liability insurance is purchased on a rate per student enrolled basis (an industry standard for K-12 educational organizations). Business Auto insurance includes coverage for liability and physical damage on a cost per unit basis. Other policies are based on values determined to be sufficient over a significant period of time or the current cost of inventory on hand.

Frederick County Board of Education
2010 Premium and Rate Summary (Budgetary Estimate as of Aug 2010)

	FY 2010 BoE Expiring				FY 2011 BoE Budget (Aug 2010)				Company Quoted
	Exposure	Rate	Premium	Terrorism	Exposure	Rate	Premium	Terrorism	
Real & Business Personal Property	\$1,100,271,541	\$0.0399	\$439,008	\$1,756	\$1,204,532,627	\$0.0399	\$433,632	\$1,735	OC
Deductible Options	Not Quoted				Not Quoted				
Ordinance or Law			Incl				Incl		OC
BPP of Others	\$90,000	\$0.0399	\$36	\$0	\$90,000	\$0.0399	\$32	\$0	
Flood, Earthquake and DIC	\$0				\$0				
Loss of Income w/ Extra Expense									
Option - BVEE with No Monthly Limitation	\$5,000,000	\$0.0399	\$1,995	\$8	\$5,000,000	\$0.0399	\$1,800	\$7	OC
Valuable Papers & Records	\$100,000	\$0.021	\$21		\$1,000,000	\$0.021	\$210		OC
Accounts Receivable	\$100,000	\$0.014	\$14		\$100,000	\$0.014	\$14		OC
Comprehensive Crime									
Employee Dishonesty (\$2,500 ded.)	\$500,000		\$3,470		\$500,000		\$3,470		OC
Forgery & Alteration	\$500,000		\$1,088		\$500,000		\$1,088		OC
Theft, Disappearance & Destruction	\$100,000		\$1,010		\$100,000		\$1,010		OC
Computer Fraud	\$500,000		\$672		\$500,000		\$672		OC
Boiler & Machinery (\$2,500 ded.)	\$5,000,000	\$0.0039	\$42,525		\$5,000,000	\$0.0039	\$45,987		HSB
Commercial General Liability	40,064	\$1.369	\$54,848	\$219	40,210	\$1.369	\$55,047	\$220	OC
Fellow Employee Coverage			Incl				Incl		OC
Employee Benefits Legal Liability	5,667	\$0.263	\$1,490	\$6	5,754	\$0.263	\$1,513	\$6	OC
Business Auto									
Liability	680	\$337.84	\$229,730	\$1,149	655	\$354.73	\$232,348	\$1,162	OC
Physical Damage	680	\$97.71	\$66,445	\$332	655	\$102.60	\$67,203	\$336	OC
Option - \$500 Comp & \$1,000 Coll Ded	Not Quoted				Not Quoted				OC
Hired & Non-Owned			\$307	\$2			\$307	\$2	OC
Garage Keepers			\$612	\$3			\$612	\$3	OC
Umbrella Excess Liability	Not Quoted				Not Quoted				OC
Inland Marine									
Electronic Data Processing & Telephone	\$25,420,933	\$0.105	\$26,692		\$28,351,305	\$0.095	\$26,934		OC
Contractors Equipment	\$1,638,171	\$0.300	\$4,915		\$2,242,643	\$0.300	\$6,728		OC
Leased/Rental Equipment	\$75,000		\$500		\$75,000		\$500		OC
Audio Visual	\$0		\$0		\$0		\$0		OC
Musical Instruments	\$1,208,826	\$0.250	\$3,022		\$1,602,916	\$0.250	\$4,007		OC
Athletic Equipment	\$0		\$0		\$0		\$0		OC
Property of Others	\$0		\$0		\$0		\$0		OC
Towers, Radios	\$0		\$0		\$0		\$0		OC
Photo Equipment	\$0		\$0		\$0		\$0		OC
Security Cameras	\$0		\$0		\$0		\$0		OC
Library Books	\$17,821,547	\$0.100	\$17,822		\$17,821,547	\$0.095	\$16,930		OC
Valuable Papers other than Books	\$4,575,000	\$0.100	\$4,575		\$4,575,000		\$0		OC
Fine Arts	\$500,000	\$0.100	\$500		\$500,000	\$0.095	\$475		OC
Fine Arts of Others	\$0		\$0		\$0		\$0		OC
Historic Papers	\$50,000	\$0.100	\$50		\$50,000	\$0.095	\$48		OC
Employees' Tools	\$25,000	\$1.500	\$375		\$25,000	\$1.500	\$375		OC
Transportation	\$100,000		\$500		\$100,000		\$500		OC
Motor Carrier Custody	\$100,000		Incl		\$100,000		Incl		
Rail Carrier Custody	\$100,000		Incl		\$100,000		Incl		
Air Carrier Custody	\$100,000		Incl		\$100,000		Incl		
US Postal Service Custody	\$100,000		Incl		\$100,000		Incl		
Single Conveyance Vehicle	\$100,000		Incl		\$100,000		Incl		
IM Terrorism				\$1,471				\$1,471	
Rolling Builders Risk									OC
Annual Rate per \$100 of completed value	\$30,000,000	\$0.070	deposit	Incl	\$30,000,000	\$0.070	deposit	Incl	
		*MNC				*MNC			
School Leaders Errors & Omissions									
\$25,000 ded (\$50,000 ded EPLI)	\$1,000,000		\$41,664		\$1,000,000		\$41,664		Nat'l Union
Student Medical Professional									
BoE	138		\$2,346		138		\$2,346		Chicago
Total Premium			\$946,232	\$4,946			\$945,453	\$4,941	
Company key	OC	Ohio Casualty							
	HSB	Hartford Steam Boiler							
	Nat'l Union	National Union							
	Chicago	Chicago Insurance Company							

FY 2011 Rates and Premiums not yet released